

Iowa Department of Human Services

Offer #401-HHS-001: Supporting Basic Needs of Low-Income Iowans

Contact Information: Ann Wiebers, awieber@dhs.state.ia.us, (515) 281-6080

This offer is for:		This offer includes the following appropriations:
	New activity	Family Investment Program (FIP)/PROMISE JOBS (PJ),
X	Status quo existing activity	State Supplementary Assistance (SSA), State Family
	Improved existing activity	Planning, General Administration and Field Operations

Result(s) Addressed:

Primary Results

- **Meet Federal work participation rates for families receiving FIP**
 - Improve quality of life
 - Strengthen and support families
 - Safe and healthy living environment for children, persons with special needs and vulnerable populations
 - Safe food
 - Adequate food
 - Return on investment by avoiding costly penalties
- **Reduce State costs for Medicaid through the State Supplementary Assistance (SSA) program**
 - All Iowans have access to quality care
 - Improve quality of life
 - Strengthen and support families
 - Safe and healthy living environment for children, persons with special needs and vulnerable populations
 - Return on investment
- **Increase the number of persons receiving Food Assistance**
 - Iowans have access to quality care
 - Strengthen and support families
 - Safe food
 - Adequate food
- **Increase the number of women receiving family planning services**
 - Improve the access to and use of family planning services by women
 - Improve the health of women and birth outcomes by increasing the spacing between pregnancies

Program Description:

This offer includes programs that individually, in various combinations, and collectively, help low-income Iowans meet basic needs, improve nutrition levels, and achieve greater economic self-sufficiency while maintaining their independence and dignity. These programs serve some of the State's most vulnerable populations, including children, the aged, and persons with disabilities. Unless otherwise noted, all programs are available statewide.

Family Investment Program (FIP)

Promoting Independence and Self-Sufficiency through Employment, Job Opportunities and Basic Skills (PROMISE JOBS)

Family Development and Self-Sufficiency (FaDSS) [Operated by DHR]

Family Self-Sufficiency Grants (FSSG)

State Supplementary Assistance (SSA) programs

Food Assistance

Food Stamp Employment and Training (FSET)

Supplemental Food programs

Earned Income Tax Credit (EITC) Outreach and Support

State Family Planning – This program provides free family planning related services at designated Iowa family planning centers and clinics to women who are ineligible for services through the Medicaid Iowa Family Planning Network (IFPN). This program is being included in the Basic Needs Offer for SFY 2010 to provide funding for ongoing services to eligible women.

This offer also supports the statewide Income Maintenance Customer Service Center (IMCSC) located in Council Bluffs. The IMCSC is a customer service call center for recipients to report changes in their circumstances regarding programs collectively categorized as “Income Maintenance”, which includes FIP, Food Assistance, and Medicaid. IMCSC will have extended hours from 7:00 a.m.-6:00 p.m. and have bi-lingual staff. In September 2008 IMCSC will replace a small Food Assistance Customer Call Center started by DHS in February 2005.

In SFY 2008 DHS completed the Request for Proposals (RFP) process to choose a site for IMCSC, had the site remodeled, furnished, and started the hiring and training process of staff. IMCSC will begin a phased-in rollout of accepting calls of reported change of circumstances that impact FIP, Food Assistance, and/or Medicaid benefits in September 2008 and be statewide by February 2009.

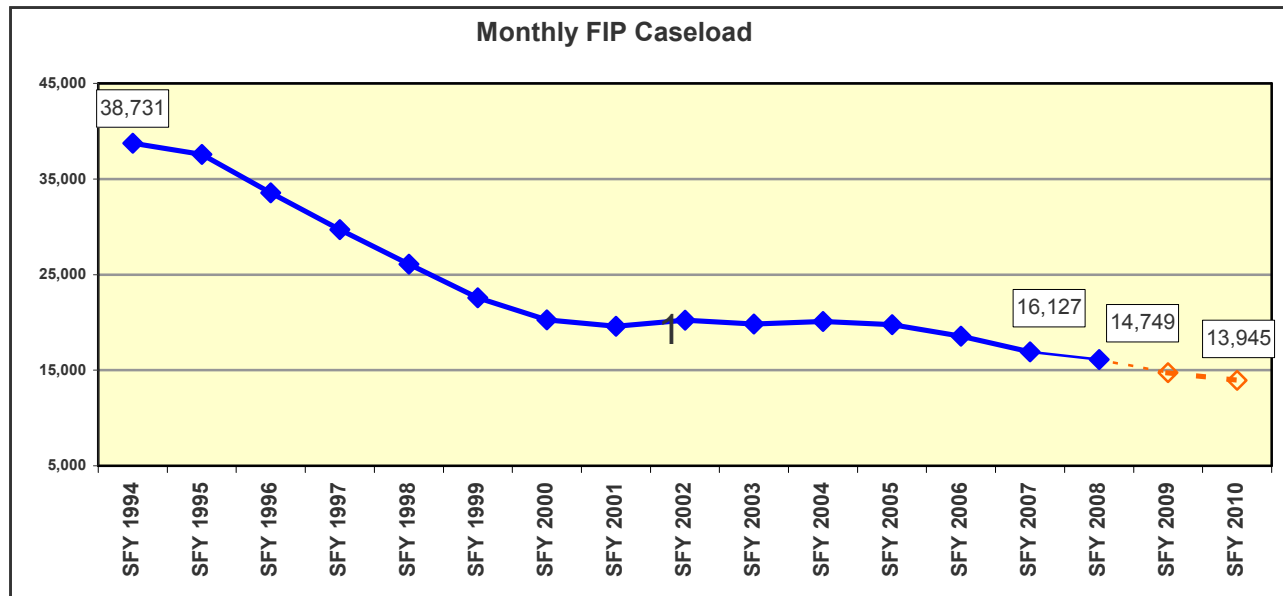
When fully implemented, projected calls to IMCSC from recipients reporting a change in their circumstances will be approximately 15,000 calls per month.

Who:

The Family Investment Program (FIP) serves low-income families with children. This includes single-parent families, two-parent families, and children living with caretaker relatives such as grandparents.

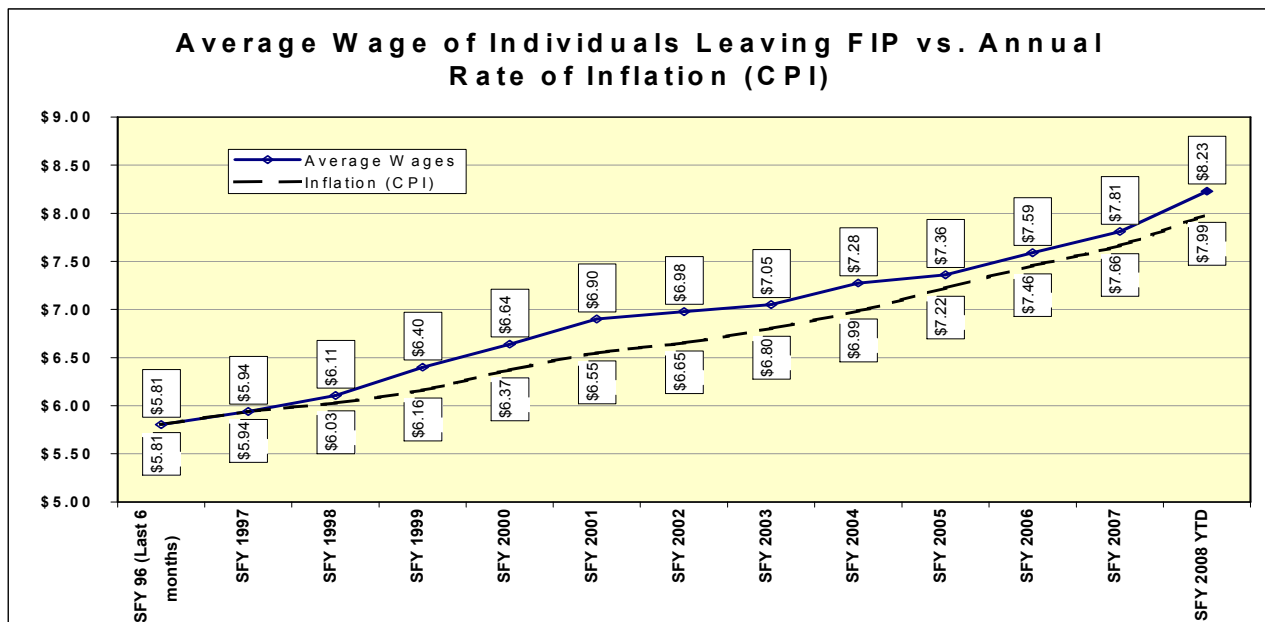
- In SFY 2008, a monthly average of 16,127 families received an average monthly FIP grant of \$320.22.
- Of these, approximately 75% were single-parent families, 7% were two-parent families, and the remaining 18% were children living with relatives.
- The typical FIP family consists of a single, Caucasian female, aged 20-29, having a high school education or equivalent, with two children.

- The average time a family spends on FIP is 22.1 months as of June 2008.



PROMISE JOBS, FaDSS and FSSG provide supportive services to FIP families. Families applying for or receiving FIP are required to work towards self-sufficiency through the PROMISE JOBS program. With a few exceptions, all FIP recipients must participate in PROMISE JOBS.

- A monthly average of 12,428 individuals participated in PROMISE JOBS in SFY 2008 through April.
- FIP families having severe or multiple barriers to achieving self-sufficiency are referred to FaDSS. A monthly average of 1,446 FIP families received FaDSS services in SFY 2008.
- PROMISE JOBS participants experiencing a specific employment-related barrier can receive assistance through FSSG if the payment will allow the participant to retain employment or to obtain employment within two months. A total of 2,835 FIP families received FSSG in SFY 2008 at an average cost of \$536.
- The average hourly wage of individuals leaving FIP in SFY 2008 through April was \$8.23.
- The following chart illustrates how the average wage of individuals leaving FIP has risen compared to the annual rate of inflation over time. The average wage line indicates the actual average wage of individuals leaving FIP, starting with \$5.81 in SFY 1996. The inflation line shows what the effects of inflation would be to this SFY 1996 wage. Adjusted solely for inflation, this wage rose to \$7.99 in SFY 2008, compared to the actual average wage of \$8.23 for individuals leaving FIP in SFY 2008 as of April. Increasing the earned income disregard combined with legislation to increase the State minimum wage in April 2007 and again in January 2008, may have acted to increase the actual average wage of individuals leaving FIP.



State Supplementary Assistance (SSA) programs assist individuals who are aged, blind or disabled and who:

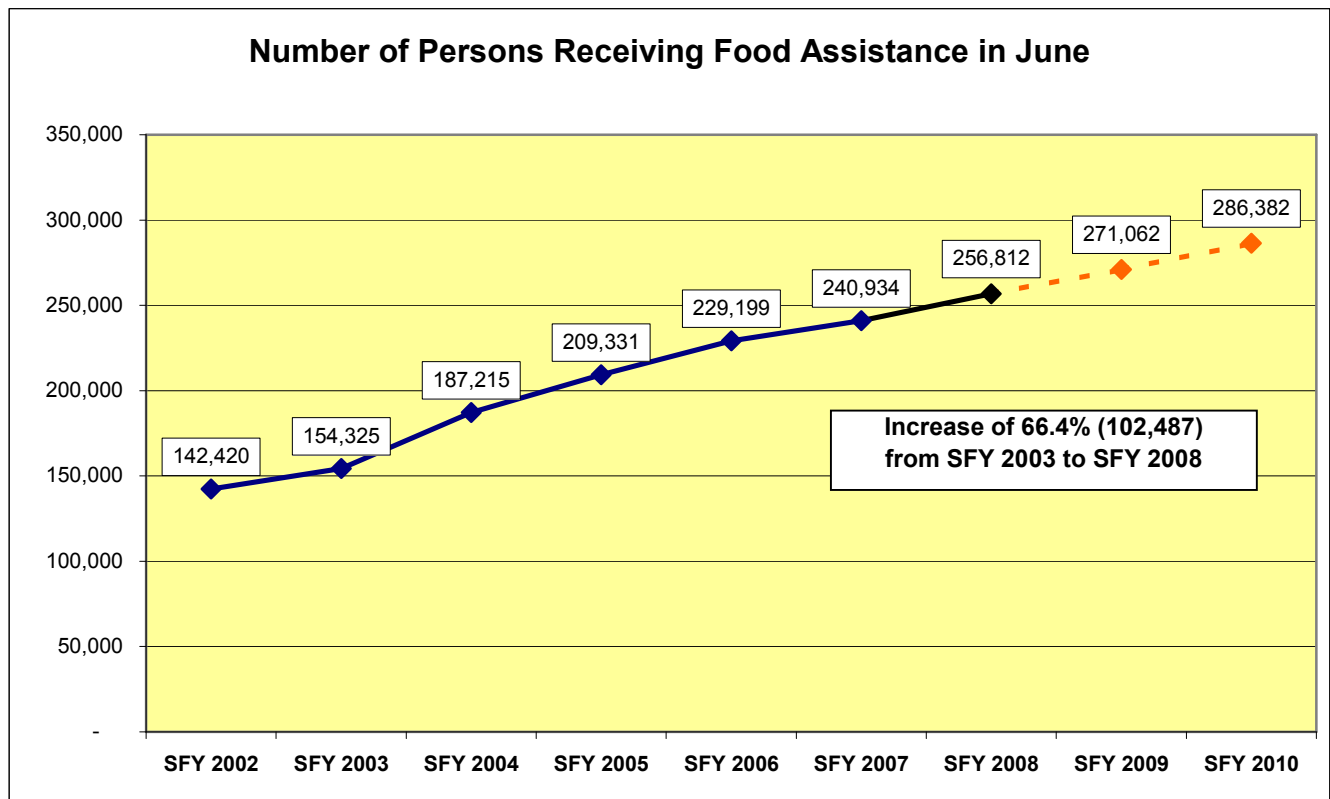
- are either receiving Supplementary Security Income (SSI) or
- meet all SSI eligibility criteria, but are over income or
- are not eligible for SSI because they are working.

In SFY 2008, an average of 15,600 individuals per month received SSA benefits. SSA programs serve the following populations:

1. The blind (Blind Allowance).
2. Aged, blind, or disabled persons who have a special financial need because they have a dependent relative living with them and whose income is too low to meet the needs of the dependent (Dependent Person Allowance).
3. Adult clients who are unable or unwilling to adequately maintain themselves in an independent living arrangement, but are physically capable of caring for themselves (Family Life Homes (FLH)).
4. Persons with physical or mental problems that keep them from independent self-care, but who are able to stay in their own homes with some assistance or personal services (In-Home Health Related Care (IHHRC)).
5. Persons who received assistance under State programs for the elderly and disabled prior to the implementation of SSI and whose needs can't be met by SSI (Mandatory State Supplementation).
6. Persons who live in a licensed Residential Care Facility (RCF) that participates in the SSA program. RCFs provide for 24 consecutive hours accommodation, board, personal assistance, and other essential living activities to at least three individuals. These persons are unable to properly care for themselves because of illness, disease, or physical infirmity, but they do not require the services of a registered or licensed nurse except on an emergency basis.
7. Medicaid recipients, who are also eligible for Medicare Part B, have income at or above 120% of the Federal poverty level, and who do not qualify for other cash assistance benefits, including any other SSA program (Supplement for Medicare and Medicaid Eligibles).

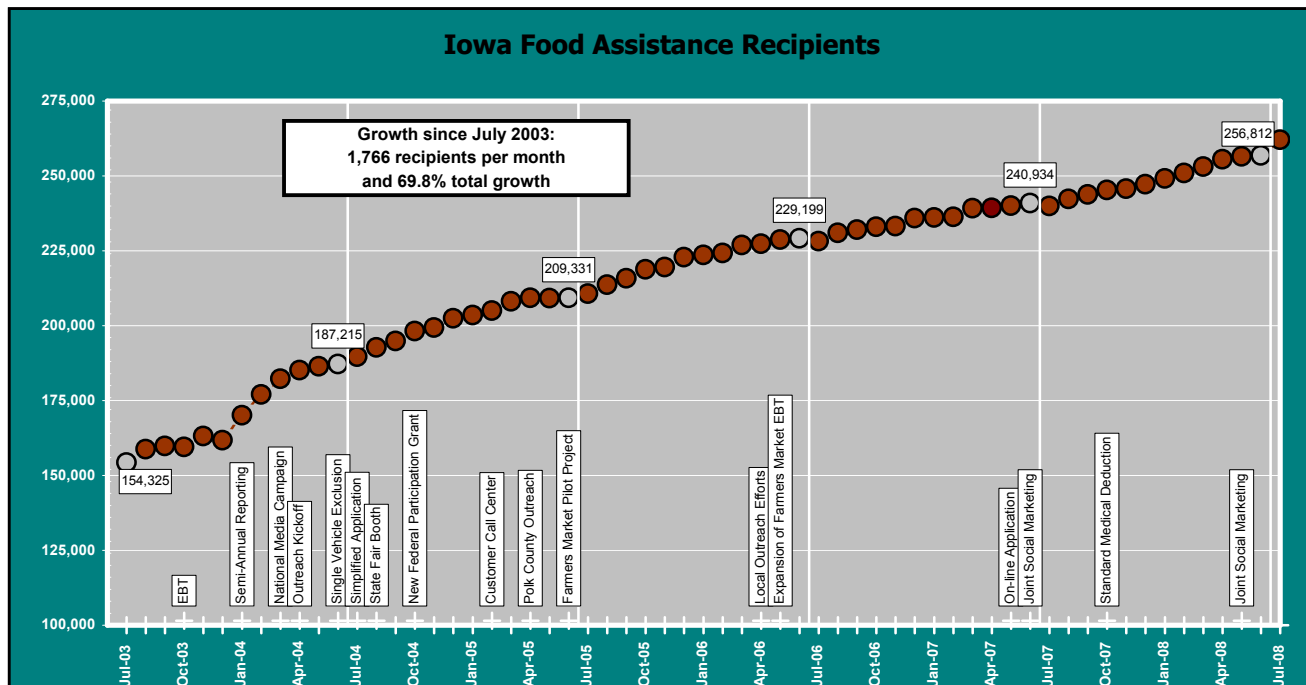
The Food Assistance (FA) program serves low-income individuals and families. This includes families receiving FIP and individuals receiving SSA (excluding RCF), as well as all other Iowans who meet eligibility criteria.

- In SFY 2008, an average of 113,450 households per month received Food Assistance compared to 106,639 in SFY 2007, an increase of 6,811 or 6.4%. In SFY 2008 an average of 32,561 households per month received Food Assistance but no other State benefits while an average of 80,889 households per month received Food Assistance and also received FIP and/or Medicaid.
- The average monthly benefit per household was \$213 in SFY 2008.
- There were 256,812 people receiving Food Assistance in June 2008 compared to 240,934 in June 2007, an increase of 15,878 or 6.6%.
- The USDA estimates that \$5 in food assistance generates \$9.20 in local and state economic activity. About \$289.4 million in Federal food assistance funds were brought into the Iowa economy in SFY 2008, a 10.9% increase from SFY 2007. These funds generated an estimated \$532.5 million in economic activity.



- Savings from eliminating the marketing campaign for the wireless EBT farmers' market program in SFY 2009 help offset increased administrative costs resulting from greater participation in the program.

Since July 2003, DHS has implemented various initiatives that have significantly improved access to and participation in the Food Assistance program. These initiatives and their impact are illustrated by the following chart:



The Food Stamp Employment and Training (FSET) program serves non-FIP Food Assistance recipients living in Polk and Scott Counties. Approximately 2,000 persons were referred for FSET services during SFY 2008. During SFY 2009, DHS plans to expand certain services to Linn County.

The Commodity Supplemental Food program serves low-income working families and the elderly. Approximately 39,419 Iowans are served annually - 95% of which are elderly. 1.1 million pounds of commodities were distributed to these families in SFY 2008.

The Emergency Food Assistance program distributes food to low-income Iowans through food banks statewide. Emergency food was distributed to 223,454 individuals per month, equaling over 2.7 million individuals in SFY 2008. 3.6 million pounds of commodities were distributed through this program in SFY 2008.

The Earned Income Tax Credit (EITC) Outreach Project provided free tax preparation to 8,201 low-income Iowa families and individuals in SFY 2008. Of the 8,201, approximately 1,500 were Federal economic stimulus payment (ESP) only tax returns (individuals who did not have earned income, but were eligible for the ESP). Approximately 38% of those receiving free tax services also received one or more DHS services. Recipients of the free tax service had an average gross income of \$14,071. FIP families received an average Federal EITC refund of \$1,085 and State EITC of \$75.87.

It is estimated that 1,250 women will receive free family planning related services through the State Family Planning program in SFY 2009. To qualify, women must be a U.S. citizen or qualified alien with income at or below 200% of Federal poverty level.

What:

FIP provides a monthly cash grant to low-income families with children to help meet basic needs such as shelter, utilities and clothing.

The PROMISE JOBS program provides training, education and employment services to FIP families to help them become self-sufficient and avoid long-term dependence on public assistance. Activities include: assessments, job-seeking skills training, job search activities, basic education services, work experience placement, monitored employment, unpaid community service, parenting skills training, Workplace Essentials training, and vocational post secondary classroom training. PROMISE JOBS pays allowances for specified costs, such as transportation and child care, related to participating in these activities.

The Family Development and Self-Sufficiency (FaDSS) program provides intensive case management services to address multiple or overwhelming barriers to achieving self-sufficiency. Barriers may include being a minor parent, being a victim of domestic violence, having a history of substance abuse, being in prison, or having a child with disabilities. FaDSS supplements the basic services provided under PROMISE JOBS. The program is operated by the Department of Human Rights.

The Family Self-Sufficiency Grant (FSSG) program pays for goods or services to address a specific short-term employment-related barrier allowing a FIP family to obtain or retain employment within two months of receiving the FSSG assistance. Although a family may receive FSSG more than once, the total limit per year per family is \$1,000. 52% of FSSG payments in SFY 2008 were for transportation-related expenses such as car repairs.

State Supplementary Assistance (SSA) programs provide cash payments to supplement the income of Iowans who are aged, blind or disabled.

- Most SSA benefits are paid monthly and must meet a minimum payment level determined by the Federal government. States can pay more than the Federal minimum, but cannot pay less. Iowa pays the Federal minimum for all SSA programs except In-Home Health-Related Care (IHHRC), which is slightly above the current Federal minimum. Payments are made directly to the SSA recipient or to their designated payee.
- The Supplement for Medicare and Medicaid Eligibles program provides the minimum benefit possible, \$1 per month per person. This benefit is paid to the recipient on a quarterly basis. By paying a cash income supplement to the recipient, the State is able to receive Federal-matching funds for payment of the recipient's Medicare Part B premium.
- Family Life Home recipients whose only other income is Supplemental Security Income (SSI) are paid an additional \$20 per month to ensure that all Family Life Home recipients have the same total monthly income.
- The Federal minimum payment level for both the Dependent Person Allowance and Residential Care Facility program increase each year in accordance with any cost of living adjustment to Social Security benefits (effective January each year). As the State maximum payment for these programs equals the Federal minimum, DHS must increase the payment rate for these programs each year to match the new Federal minimum.
- Iowans receiving IHHRC, RCF or FLH assistance are required to help pay for the cost of their care based on their financial ability to do so; the State pays the difference between the actual cost of care and the client payment amount.

The Food Assistance Program (Iowa's Food Stamp Program) helps low-income individuals and families avoid hunger and malnutrition by providing for the purchase of food, nonalcoholic beverages and ingredients to prepare food using an Electronic Benefit Transfer (EBT) swipe card. Although the benefits under this program are 100% Federally funded, the State shares in the costs for administration. The program also provides nutritional education services.

Congress recently passed the 2008 Farm Bill which reauthorized the Food Stamp Program and renamed it the Supplemental Nutrition Assistance Program. Iowa will continue to call its program Food Assistance, as the USDA is allowing states to use names they adopted. Provisions of the Farm Bill are expected to result in a significant increase in benefit levels and a slight increase in the number of households that qualify for the program. There is no additional cost to the State related to the changes in benefit levels since benefits are 100% Federally funded.

In addition to the "regular" Food Assistance Program, due to severe weather including tornados and flooding impacting a substantial portion of the State, DHS also implemented the Disaster Food Assistance Program in an unprecedented 67 counties during the spring and summer of 2008. Disaster Food Assistance provides a one-time, set amount of benefits to households that would in many cases not be eligible for regular Food Assistance due to income or resources, but who have non-reimbursable expenses related to a disaster exceeding their resources. Through August 8, 2008, DHS provided Disaster Food Assistance totaling \$4,534,895 to 13,887 households (35,148 individuals).

The Food Stamp Employment and Training (FSET) program provides: job-seeking skills training in a classroom setting followed by a structured employment search; monitored individual job search in which participants are required to make face-to-face contacts with employers to apply for jobs; and educational services, including general education development, adult basic education and English as a second language. Opportunities for education and training for Food Assistance recipients in Polk, Scott, and Linn Counties will be expanded in SFY 2009.

Supplemental Food programs help low-income individuals and families avoid hunger and malnutrition by providing food, primarily in the form of commodities donated by the U.S. Department of Agriculture. Although the benefits under these programs are 100% Federally funded, the State shares in the costs for administration.

The Earned Income Tax Credit (EITC) Outreach Project develops free tax preparation sites and provides technical assistance and support to a statewide tax coalition as well as local tax coalitions.

The State Family Planning program provides free family planning related services to women who are seeking pregnancy prevention care.

The total funding for this offer is \$164,035,041 consisting of:

State General Funds	\$79,311,588
State Share of Child Support Recovery Collections	\$9,832,303
Local County Expenditures	\$1,982,697
Miscellaneous recoupments/refunds	\$196,500
<i>State Subtotal</i>	\$91,323,088
Federal TANF Funds	\$46,592,729
Federal SSBG Funds	\$28,907
Other Federal Funds	\$25,339,654
<i>Federal Subtotal</i>	\$71,961,290
Other Funding (such as Overpayment Recoveries)	\$750,663
Total	\$164,035,041

In addition, this offer is projected to result in the State receiving nearly \$407.8 million in 100% Federally-funded Food Stamp benefits in SFY 2010 bringing the total value of this offer to \$571,835,041. Of this amount, \$520,033,962 or over 90% represents direct or indirect services and benefits to Iowans while \$51,801,079 or less than 10% represents department personnel and other administrative costs.

How:

Local DHS staff (351.95 FTEs) throughout the State determine initial and ongoing eligibility for FIP, SSA, and Food Assistance. The Income Maintenance Customer Service Center (IMCSC) will provide improved customer service to recipients reporting a change in their circumstances for the FIP, SSA, Food Assistance, and Medical Assistance programs through extended hours and bi-lingual assistance. In FY 2009 IMCSC (62 FTEs) will replace the Food Assistance Customer Call Center (5 FTEs). When fully implemented in SFY 2009 IMCSC will handle approximately 15,000 reported changes per month.

FIP benefits are issued in the form of State warrants or direct deposit to eligible families through the State's financial accounting system. During SFY 2009, DHS expects to contract for an electronic cash card service for customers who do not have bank accounts.

The Federal Social Security Administration issues SSA payments for Mandatory State Supplementation, the Blind Allowance, Dependent Person Allowance and Family Life Home Assistance. The Iowa Department of Human Services (DHS) reimburses and pays an additional administrative fee to the Social Security Administration for issuing these payments. The State has no ability to control or influence the administrative fee.

DHS issues the IHHRC, RCF and Supplement for Medicare and Medicaid Eligibles payments. DHS also issues the \$20 supplemental payments to Family Life Home recipients. SSA payments made directly by DHS are in the form of State warrants issued through the State's financial accounting system.

All Food Assistance households receive benefits through Electronic Benefit Transfer (EBT). Under a contract with Affiliated Computer Services (ACS) Government Solutions Group, Inc., Food Assistance benefits are delivered through the Electronic Payment Processing and Information Control (EPPIC™) computer system. Upon approval for Food Assistance for the first time, an electronic account is

established for the household on the EPPIC™ system and an EBT swipe card is issued to access the account. Each month the household is eligible, benefit allotments are credited to the account. The EBT card can be used at any business authorized by the Federal Food and Nutrition Service (FNS) to accept “Food Stamps,” including businesses both in Iowa and in other states. Each time the EBT card is used to make a purchase, the EPPIC™ computer system debits the purchase amount from the account and electronically draws down the funds equal to the purchase amount from the Federal government, then transfers the payment to the retailer where the purchase was made. Accounts remain active and any benefits previously credited to the account remain available even after the household is no longer eligible for Food Assistance. The State currently pays a fee of \$0.07 for each EBT transaction to retailers that do not use State owned point of sale (POS) devices.

In 2005, DHS implemented a pilot project allowing EBT customers to purchase produce at farmers’ markets utilizing wireless POS devices provided to participating vendors. Iowa has since become a national leader in providing EBT access at farmers’ markets, with the program growing from less than 10 farmers participating in 3 markets to 161 farmers in 105 markets by 2008. This growth was due at least in part to a marketing campaign to increase awareness of the program. Recognizing that the program is now mature and widely known throughout the State, the department ended the marketing campaign in July 2008, allowing funds that supported the program to offset rising administrative costs associated with the increasing number of Iowans participating in the Food Assistance program.

PROMISE JOBS services are currently provided under a contract with the Iowa Department of Workforce Development (IWD) or, for refugees who have not attained U.S. citizenship, through the DHS Bureau of Refugee Services (BRS). PROMISE JOBS services are provided either directly by IWD or BRS staff, or through the use of subcontractors to these entities. Following referral to PROMISE JOBS by the local DHS office, FIP families are assessed to determine their goals, needs, and appropriate activities that can lead to economic self-sufficiency. Based on this assessment, FIP families must enter into a Family Investment Agreement (FIA). The FIA lists what steps the family will take toward self-sufficiency; any barriers toward these steps and how the barriers will be addressed; appropriate referrals; and what supportive services PROMISE JOBS will provide. Working with the family, PROMISE JOBS determines the activities most appropriate to the family’s circumstances that increase the family’s opportunities for employment. PROMISE JOBS monitors participation in these activities, modifies the FIA as needed, and pays allowances for specified costs, such as transportation and approvable child care, related to participating in these activities. This Offer funds 7.27 BRS positions, 78.9 positions at IWD and 91.6 contract positions to provide PROMISE JOBS services.

FaDSS services are provided by local community agencies under contracts with the Iowa Department of Human Rights (DHR). Starting in SFY 2008, funding for FaDSS is allocated directly to DHR. FaDSS is a component of PROMISE JOBS, with participation being voluntary. Working with both PROMISE JOBS and the family, FaDSS provides ongoing assessment and goal setting and addresses safety, basic needs, shelter, health, and family functioning. This Offer funds 2.5 positions at DHR and 109.09 contract positions at community agencies to administer and provide FaDSS services.

FSSG is administered through the PROMISE JOBS program. PROMISE JOBS service delivery regions develop local plans specifying policies and procedures in compliance with administrative rules for FSSG.

FSET services are provided through a contract with the Iowa Department of Workforce Development (IWD). Mandatory program participants are automatically referred to IWD. IWD issues allowances to program participants for transportation and other necessary expenses and will add vocational education training in Polk, Scott, and Linn Counties in SFY 2009.

Supplemental food programs provide food primarily in the form of commodities for low-income working families and the elderly through food banks, soup kitchens, senior congregate meal sites, home delivered meals, and State institutions. DHS has been designated as the State distribution agency to receive, store, distribute, and account for USDA donated foods. Community agencies acting as local distribution points must enter into a written distribution agreement with DHS.

The Earned Income Tax Credit (EITC) Outreach Project developed and supported sites in Cedar Rapids, Des Moines, Marshalltown, Ft. Dodge, Davenport, Sioux City, Waterloo, and Southwest Iowa in SFY 2008. The project also disseminated information on EITC and the locations of free tax sites to surrounding communities. New in 2008 was the development of the EITC and Beyond Coalition. The EITC and Beyond Coalition joined 29 different organizations consisting of government, nonprofit and for-profit agencies to coordinate and support local tax coalitions, and disseminate information to potentially eligible persons. In 2009 the EITC Outreach Project plans to continue to develop new tax preparation sites, support the existing sites and strengthen the coordination developing within the EITC and Beyond Coalition.

DHS will contract with seventeen designated family planning agencies to process applications and provide services to women participating in the State Family Planning program. These agencies currently assist in the Iowa Family Planning Network application process.

The department is continuing its efforts to improve customer service and accuracy of benefit determination while being more efficient through the use of technology. We are doing this through the following initiatives:

- An on-line narrative was implemented in SFY 2008 allowing income maintenance workers to document key actions taken or contacts with customers.
- A multi-program on-line application to be implemented in the fall of 2008, allowing customers to apply for one or more programs including FIP, Food Assistance, Medicaid and Child Care via the Internet. Currently customers may apply for Food Assistance using an on-line application.
- Developing and implementing an electronic case file to replace paper files.
- Modernizing the IABC system by migrating eligibility processing from a legacy mainframe system to a client server based platform.
- Standardizing business processes statewide and centralizing certain eligibility functions where feasible.

The following additional support services are provided for the programs above:

- Policy development and implementation ensuring compliance with Federal and State requirements.
- Management information systems providing automated eligibility and benefit determination, benefit issuance, and information storage, tracking and reporting, as well as technical support for computer equipment.
- Budget development and financial management, including but not limited to meeting Generally Accepted Accounting Principals regarding the receipt, payment and monitoring of Federal and State funds, as well as any additional State or Federal reporting requirements regarding such funds.

- Training and technical assistance related to policies, procedures and management information systems.
- Contract management.
- Compliance with Accountable Government Act provisions.
- Quality control and quality assurance.
- Human resources/personnel.
- Forms development and maintenance.
- Processing of appeals and exceptions to policy.
- Other corporate management and leadership functions.
- Contracted services through the Iowa Department of Inspections and Appeals (IDIA) to conduct hearings, eligibility investigations and recovery of overpayments.
- Contracted legal services through the Iowa Attorney General's Office.

This offer funds a total of 608.81 department positions (combined field and central office) for the administration and delivery of services described.

Offer Description:

Today's Activities and Results:

Maintain the following (all figures are SFY 2010 monthly average estimates):

Income Supports

- 13,945 low-income families with children receive a monthly Family Investment Program (FIP) grant of \$319.49 to help meet basic needs.
- 4,894 aged, blind or disabled Iowans receive financial help from the State Supplementary Assistance (SSA) program so they can live more independently; an additional 12,835 receive \$1 per month, allowing the State to receive Federal matching funds to help pay their Medicare Part B premiums.
- The Earned Income Tax Credit (EITC) Outreach Project provides outreach and help in applying for the EITC to 8,201 individuals and families, including some 3,116 DHS customers. Beginning in January 2009 the Department will mail out information on EITC and how to obtain free tax preparation services to some 250,000 households receiving DHS services. Another 100,000 food pantry customers will also receive the information.

Work and Training Supports

- An average of 10,868 FIP participants per month receive training, education and employment services from PROMISE JOBS.
- 3,586 receive reimbursement of \$0.34/mile for transportation costs to participate in activities other than work; e.g., education, averaging \$109.14 per month per person; 209 receive other monthly allowances averaging \$199.36 per month per person. Transportation reimbursement is not available for work purposes. The mileage rate will increase to \$.34/mile beginning September 2008.
- Approximately 1,446 FIP families having multiple/severe self-sufficiency barriers receive case management services from the Family Development and Self-Sufficiency (FaDSS) program.
- 2,835 FIP families receive one-time payments from the Family Self-Sufficiency Grants (FSSG) program to meet work-related barriers such as car repairs, at an average cost of \$536.
- Food Stamp Employment and Training (FSET) provides job-seeking skills training and employment assistance to non-FIP Food Assistance recipients.

Nutritional Supports

- Food Assistance helps an estimated monthly average of 134,802 low-income Iowa households equal to 279,409 individuals buy food.
- Supplemental Food programs provide food through food banks, soup kitchens and other sites.

Other

- Improve customer service and address the growth of 21,260 income maintenance cases for SFY 2010 by expanding and refocusing the Food Assistance Customer Call Center to the Income Maintenance Customer Service Center, a specialized unit handling all recipient reported changes of circumstances for the FIP, Food Assistance, and Medicaid programs.
- The State Family Planning program will enable 1,875 women to receive free family planning related services.

Reprioritization:

- Reduce Food Assistance program costs by eliminating the \$0.07 retailer fee; saves \$690,725.50 State dollars and an equal amount in Federal funds. Iowa remains one of the few states with a fee and is the highest in the nation.
- Eliminate the FIP Diversion program funded 100% with Federal TANF funds. Fewer than 70 families participated in this program in SFY 2008 and less than 500 have participated during the past 4 years. Annual funding is nearly three times the amount of actual expenditures resulting in a carry forward of TANF funds at the end of the year. Eliminating the FIP Diversion program will result in an estimated savings of \$112,000.
- Reduce the annual TANF appropriation for FSSG by \$380,000. This will align the appropriation with what is actually being expended and will not result in a reduction in benefits or services.

Improved Results Activities:

- Eliminate quarterly reporting for FIP cases with earnings, resulting in all FIP families being required to complete semi-annual reports. This change will benefit clients in multiple ways:
 - Reduces procedural cancellations caused by failure to return reports, returning reports late, or client errors in completing report forms when clients otherwise continue to meet eligibility requirements.
 - Aligns frequency with Food Assistance and Medicaid – reduces confusion about reporting requirements and ensures income is treated more consistently between programs.
 - Stabilizes family income – project income for 6 months so minor fluctuations don't impact eligibility/benefits; major changes in income and household must still be reported and acted upon.
 - Maintains participation in work and training activities.

This change is expected to have minimal impact on caseloads and costs. An estimated 34 fewer cases per month will be cancelled and will receive benefits an additional 3 months. The department intends to implement this change in January 2009 at an estimated cost of \$123,343 for SFY 2009. SFY 2010 costs are estimated at \$272,205.

Offer Justification:

Legal Requirements:

Federal:

- Under the Temporary Assistance for Needy Families (TANF) block grant, states must meet maintenance of effort (MOE) requirements by spending state funds for specified purposes (45 CFR 263 subpart A). Iowa's MOE requirement is \$65,845,626.
 - Eligible expenditures are currently limited to FIP, PROMISE JOBS, FaDSS, certain childcare assistance and the refundable State earned income tax credit.
 - Failure results in a reduction of the State's TANF grant equal to any shortfall.
- States must meet TANF work participation requirements (45 CFR Part 261).
 - PROMISE JOBS helps meet this requirement.
 - Failure can reduce the State's TANF grant; over \$4.5 million for failing the all-family rate (Iowa is expected to meet all years) and less than \$400,000 for failing only the 2-parent rate. (Iowa is expected to fail in FFY 2007, 2008 and possibly 2009).
- SSA benefits are a MOE requirement for the Medicaid program (20 CFR 416.2095 and 416.2096).
 - States failing this requirement cannot participate in the Medicaid program.
 - States must meet minimum Federal payment levels.
- The State has a long-standing agreement with the U.S. Department of Agriculture (USDA) under 7 CFR 272.2 for DHS to operate the Food Assistance program. The Food, Conservation and Energy Act of 2008 reauthorized the program at the national level. The State must also have an Employment and Training program (Section 6 of the Food and Nutrition Act of 2008 as amended by P.L. 110-246).

State:

- Iowa Code chapter 239B requires FIP and PROMISE JOBS services, subject to available funding.
- 2008 Iowa Acts, Senate File 2425 authorized and funded the State Family Planning program.

Rationale:

Increased Access to Health Care

- Individuals and families applying for FIP or Food Assistance are assessed for and provided information about Medicaid and the Healthy and Well Kids in Iowa (*hawk-i*) program.
 - Nearly 100% of FIP recipients are eligible for Medicaid.
 - Families not eligible for FIP may be eligible for Medicaid or *hawk-i*.
 - Medicaid and *hawk-i* provide quality health care including: preventative care, primary care, chronic/long-term care, and acute/emergency care, behavioral/development care, dental care and continuity of care.
- All SSA recipients receive Medicaid as a result of eligibility for SSA.
- PROMISE JOBS, FaDSS and FSSG help FIP families obtain, retain or advance in employment, increasing access to employment-based health insurance.
- FSET helps Food Assistance recipients not eligible for FIP obtain employment, increasing access to employment-based health insurance.
- Family planning services improve women's access to medical care and prevents unwanted pregnancies.
- Process improvements increase access to all DHS programs either directly (Medicaid) or indirectly (employment assistance) increasing access to health care.

Improved Quality of Life

- FIP, PROMISE JOBS and FaDSS provide a minimum level of stability and security, enabling FIP families to improve their health outcomes.
- FIP provides a relatively stable and reliable source of income for families with children to meet basic needs while becoming self-supporting.
- PROMISE JOBS and FaDSS help stabilize families by:
 - Helping families develop a Family Investment Agreement (FIA) detailing steps, time frames and supportive services needed to achieve greater self-sufficiency,
 - Discerning barriers related to health, child well being, relationships, and education needs,
 - Providing supports such as Workplace Essentials classes,
 - Reconnecting the family to their community,
 - Addressing barriers through referrals to substance abuse and mental health treatment,
 - Identifying individuals who have been or are at risk of being victims of domestic violence and making referrals to appropriate community resources.
- SSA programs provide financial assistance to meet special needs of persons who are aged, blind, or disabled, not met by the Supplemental Security Income (SSI) benefit.
 - SSA emphasizes community-based services enabling recipients to remain in less costly and less restrictive non-institutional living arrangements.
- Food Assistance programs raise nutritional levels and allow income to be spent on other necessities to provide a safe and healthy living environment.

Mitigate Against Outside Risk Factors

- Food Assistance and Supplemental Food programs prevent hunger and improve nutrition by providing access to safe and adequate food.
- FIP and SSA provide cash assistance enabling participants to secure safe and adequate shelter.

Return on Investment

- SSA programs allow Iowans to avoid costly nursing home care, reducing State costs for Medicaid.
- The Supplement for Medicare and Medicaid Eligibles is expected to reduce State Medicaid costs by over \$9.8 million in SFY 2010.
- Process improvements increase accuracy and reduce errors that could result in penalties.

Results:

Result:	SFY 2008 Actual Level	SFY 2009 Budgeted Level	SFY 2010 Offer
Meet TANF work participation rates ¹ Estimated targets for FFY 08 All cases = 30.91% 2-parent cases = 47.27%	All case rate for FFY 2008 thru March = 38.6% 2-parent rate for FFY 2008 thru March = 36.7%	All case rate = 42% 2-parent rate = 42%	All case rate = 2-parent rate =
Reduced State costs for Medicaid resulting from the SSA Supplemental for Medicare and Medicaid Eligibles ²	(\$6,554,025)	(\$8,623,743)	(\$9,821,984)
Number of persons receiving Food Assistance at the end of the State fiscal year (June)	256,812	271,062	286,382

¹ Work rates are based on a Federal rather than State fiscal year. All rates shown are estimates, including FFY 2008. The base work rates are 50% for all cases and 90% for 2-parent cases. The “target rates” shown are the “adjusted” rates the State must meet after allowing for caseload reduction credits – work rates are reduced to the same extent cash assistance caseloads have decreased compared to a base year. Starting in FFY 2007, the base year changed from FFY 1995 to FFY 2005, which resulted in a sharp decrease in caseload reduction credits and a corresponding increase in adjusted work rates. As FIP caseloads decrease, the caseload reduction credit increases, resulting in lower adjusted work rates. SFY 2008 represents the department’s calculation of work rates through May 2008; actual work rates are determined by the U.S. Department of Health and Human Services and will not be reported to the State until some time in 2010.

² Reduced State costs are reflected in the DHS Offer 401-HHS-003, Medical Assistance and Medical Contracts.

These results assume the level of funding requested in the offer in all appropriations as well as full funding of salary adjustment. If funding is insufficient in either area, results to be achieved will be modified to reflect the impact.